

**HOUSING AND COMMUNITY DEVELOPMENT PLAN**

**Consolidated Plan**

**2003 Annual Submission**

**CITY OF TERRE HAUTE, INDIANA**

**Judith A. Anderson, Mayor**

Submission Coordinated By:

Terre Haute Department of Redevelopment

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## **Housing and Community Development Plan**

### **City of Terre Haute, Indiana**

#### **Consolidated Plan 2003 Annual Submission**

**Action Plan:** One-year use of funds - In this document, the City of Terre Haute will list the activities it will undertake to address priority needs and local objectives with anticipated program income and funds received during the 2003 program year under the CDBG, HOME, ESG, and other HUD programs for meeting housing and community development objectives. All activities except housing rehabilitation and new construction will be completed within the 2003 fiscal year. Housing rehabilitation and new construction will be completed within 18 months of the award date.

**Description** - A summary of the programs, projects, and activities proposed for funding under the 2003 fiscal year funding for CDBG, HOME, and ESG is attached. These activity descriptions include: the proposed location of the activity, the lead agency administering the activity, the particular regulatory citations outlining the activities eligibility under the applicable funding source, the appropriate regulatory citation outlining benefit criteria under the CDBG program, a brief description of the project, and proposed goals for the program. The community is not eligible for HOPWA entitlement funds at this time.

**Coordination** - With the changes brought about by the implementation of the Housing and Community Development Plan, particularly requiring that the community combine submission of all its HUD funded grants into one document goes a long way in allowing the City to better coordinate its resources.

**Federal Resources** - The City of Terre Haute anticipates receiving the following entitlement funds:

2003 CDBG Entitlement Grant	\$2,248,000
Anticipated Program Income	\$ 50,000
2003 HOME Entitlement Grant	\$ 500,000
2003 ESG Entitlement Grant	\$ 86,000
Total projected funding	<u>\$2,884,000</u>

**Other Resources** - In addition to the entitlement grants noted above, local banks will also participate in the programs by lending funds at attractive interest rates and terms to leverage the City's expenditure of HOME and CDBG funds. The ESG program requires a match for any funds received, and the City will insure that proposals from each of the qualified agencies receiving funding will provide the necessary required matching funds.

### Activities to be Undertaken -

This section describes the activities the City of Terre Haute is undertaking in targeted areas (see map) during the next year to address priority needs in terms of local objectives, as described in the 5 year consolidated plan.

**COMMUNITY DEVELOPMENT BLOCK GRANT** - The Department of Redevelopment will administer these funds. The activities described below will benefit approximately 100 low/mod income families.

1. Street Improvements:

Continued revitalization of low and moderate income neighborhoods through the design and construction of approximately 8700 linear feet of curbs, gutters, a storm water drainage system, a new street surface, placement of street trees, and sidewalk replacement on the following streets:

North Eastside Area - Construction	\$ 700,000
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26<sup>th</sup> Street - Florida Avenue to Delaware Avenue

27<sup>th</sup> Street - Florida Avenue to Delaware Avenue

28<sup>th</sup> Street - Florida Avenue to Delaware Avenue

Barbour Avenue - 25<sup>th</sup> Street to Lost Creek

North Eastside Area - Design	\$ 100,000
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Collett Avenue - 25<sup>th</sup> Street to Lost Creek

26<sup>th</sup> Street - Delaware Avenue to Barbour Avenue

27<sup>th</sup> Street - Delaware Avenue to Barbour Avenue

28<sup>th</sup> Street - Delaware Avenue to Barbour Avenue

29<sup>th</sup> Street - Delaware Avenue to Barbour Avenue

26<sup>th</sup> Street - Barbour Avenue to Maple Avenue

South Westside Area - Construction                      \$ 300,000

13<sup>th</sup> Street - Hulman Street to Margaret Avenue

Estimated Cost:   - \$ 1,100,000

2.    Rehabilitation: CDBG Housing Rehabilitation Funds will be used solely for the cost of the physical rehabilitation of housing for the benefit of mentally or physically disabled persons, very low and low income persons, elderly persons, or disadvantaged youth. Properties rehabilitated with CDBG Rehabilitation Funds must be occupied by income eligible residents for not less than 10 years. Approximately 5-7 dwelling units will be rehabilitated in low and moderate income eligible census tracts including the Central Eastside & Lost Creek/Lafayette neighborhoods. The Central Eastside area is bound by 8th Avenue and Maple on the North; Chestnut Street, Poplar Street, Wabash Avenue, and 3rd Avenue on the South; 19th Street, 25th Street, and Kester Avenue on the East; 13th Street, and 10 1/2th Street on the West. The Lost Creek/Lafayette area is bound on the North by Ft. Harrison Road; CSX Railroad, Lost Creek, 19th Street, and the Duane Yards on the East; 13th Street and Lafayette Avenue from 13<sup>th</sup> Street to Maple Avenue on the West. Only income-eligible persons will qualify for this program. In addition the City will work with non-profits to rehabilitate community facilities that serve predominately low and moderate income families in the targeted neighborhoods.

Estimated Cost:   - \$475,000

3. Demolition/Clearance: Continuance of the City's efforts to eliminate blighting conditions in target neighborhoods. The City will demolish abandoned and vacant/dilapidated houses and structures in low and moderate income eligible census tracts including the Central Eastside & Lost Creek/Lafayette neighborhoods. The Central Eastside area is bound by 8th Avenue and Maple on the North; Chestnut Street, Poplar Street, Wabash Ave., and 3rd Ave. on the South; 19th Street, 25th Street, and Kester Ave. on the East; 13th Street, and 10 1/2th Street on the West. The Lost Creek/Lafayette area is bound on the North by Fort Harrison Road; CSX Railroad, Lost Creek, 19th Street, and the Duane Yards on the East; 13th Street and Lafayette Ave. from 13th Street to Maple Avenue on the West. Approximately 50 structures will be demolished.

Estimated Cost: - \$275,000

4. Acquisition: This activity covers the costs for acquisition of real estate to be used in conjunction with housing units for low and moderate income families. Approximately 20-30 lots will be acquired, with the potential for 20-25 housing units.

Estimated Cost: - \$25,000

5. Administration: This activity covers costs for staff to operate the Community Development Block Grant program and for general office costs and project planning and development. This amount represents approximately 17% of the CDBG funds or 11% of the total funds to be administered by the Department of Redevelopment in the 2003 fiscal year.

Estimated Cost: - \$390,000

6. Contingencies: This activity will cover unforeseen construction costs. Program income such as bond reimbursements, lien payments, etc. will be assigned to the contingency account.

Estimated Cost: - \$ 58,000

**HOME INVESTMENT PARTNERSHIP GRANT** - The Department of Redevelopment will administer the HOME funds. The City of Terre Haute shall utilize its 2003 HOME Funds to construct new detached single family housing and assist an apartment project for low and moderate income tenants to facilitate neighborhood revitalization. The City will construct two (2) to three (3) houses with CHDO's, on infill lots already owned by the Terre Haute Department of Redevelopment and use the majority of the funds to leverage a Supportive Housing Grant application for an apartment project to serve handicapped persons. If the Supportive Housing Grant is not approved, the remaining funds will be used to construct additional single family units. The houses will either be renter occupied or first time homebuyers and developed with non-profit CHDO organizations. This activity will benefit approximately 10 to 12 low/mod income families.

The houses to be constructed will range in size from approximately 900 to 1200 square feet, depending on bedroom size. Two and three bedroom houses will be constructed as one story bungalows or two story in order to be compatible with the architectural style of the neighborhood. The houses will be energy efficient and vinyl sided.

The amount of HOME funds anticipated for the City of Terre Haute for the 2003 program year is \$500,000. The majority of the proceeds will be used for new housing construction except for approximately \$50,000 which will be reserved to administering the housing program. None of the HOME funds will be used for acquisition, substantial rehabilitation, tenant based rental assistance, or other rehabilitation. Local banks will participate in the program by lending funds at attractive interest rates and terms to leverage the City's expenditure of HOME funds.

The program will be administered by the City Department of Redevelopment. The new houses will be developed, owned, or sponsored by a certified community housing development corporation (CHDO). At least 15% (\$75,000) of the HOME funds will be reserved for new housing constructed with CHDO's. The City works with four local CHDO'S: Jonah, Inc., Habitat for Humanity, Mother Theodore Corp., and Terre Haute Housing Authority Development Corporation.

None of the CHDO'S that the City works with will be Sub-recipients. The City oversees the bidding process, contracting, construction and funds disbursements for the housing projects. The City monitors the marketing/tenant information and provides for the necessary periodic inspections of the housing units. HOME activities which assist homebuyers will include a recorded agreement that protects the affordability provisions regarding resale or recapture of the housing units.

Affirmative Marketing - the HOME program requires participating jurisdictions to design a statement of policy and procedures to follow to meet the affirmative marketing and minority and women business outreach requirements as defined in 24 CFR Part 92.

The Terre Haute Housing Authority and the non-profit agencies will affirmatively market the new housing units to all individuals, including minority and women tenants in accordance with the Federal Affirmative Marketing procedures as defined in 24 CFR Part 92.

The initial marketing of the housing units will be carried out by the Terre Haute Housing Authority or non-profit agencies. The City will inform the public, owners and tenants about Federal Fair Housing Laws by:

- (1) Placing statements regarding affirmative marketing policy and procedures in any media releases and reports. A copy of such statements and a description of applicable fair housing laws will be provided to owners and tenants;
- (2) Placing equal housing opportunity logo, slogan, or statement, in any newspaper ads and other media regarding the program;
- (3) Giving direct notice to owners and tenants of the affirmative marketing policy, procedures, and fair housing laws;

Owners of the housing constructed with HOME funds will be required to implement the following practices & procedures:

- (1) Advertising vacant units in commercial media, using the equal opportunity logotype, slogan, or statement;
- (2) Displaying the fair housing poster in their leasing office;
- (3) Making good faith efforts by using community contacts and provide information to attract eligible persons from all racial, ethnic, and gender groups in the housing market area.

Special outreach efforts will be undertaken to reach persons who are least likely to apply for the housing by contacting community organizations, churches, employment centers, fair housing groups, housing counseling agencies, and minority Section 8 landlords.

Letters will be sent to minority and women businesses requesting them to bid their services for the construction of the houses. These efforts will be undertaken as a special program to reach persons who are least likely to bid their services.

Racial, ethnic, and gender characteristic records as required by Section 511.71 will be maintained concerning tenancy before and after construction. Likewise, relocation data for displaced households will be maintained in individual files and on a computer spreadsheet which will be a total of the individual files.

Assessment of affirmative marketing efforts of owners will be accomplished by asking the housing owners to keep records regarding their marketing information and the racial, ethnic, and gender characteristics of their tenants. The City will assess the marketing effort of the owners by collecting and reviewing the data collected by the owners. If affirmative marketing efforts are not met, the City will work with the owners to complete special outreach programs to seek tenants, and/or foreclose the mortgage loan.



#### **EMERGENCY SHELTER GRANT -**

This program will be administered by the Department of Redevelopment. As with other programs, the City solicits proposals for Emergency Shelter Grant funding. The funds will be used for Rehabilitation of building for use as Emergency Shelters (limited to \$5,000/building), supportive services to the homeless (not to exceed 30% of award amount), shelter operation costs(not to exceed 10% of award amount), and development and implementation of homeless prevention activities (not to exceed 30% of award amount). Potential applicants will be notified that proposals will be accepted. All proposals are reviewed for eligibility and need. In past years, only two agencies have submitted qualified applications, Catholic Charities and Council on Domestic Abuse. Each of these agencies is required to provide the required matching funds. The City reviews all requests for payment of grant monies and will monitor the sub-grantees to ensure compliance with regulations and to ensure benchmarks and objectives are being met.

#### **Specific HOPWA Requirements:**

This community does not receive HOPWA entitlement funding.

#### **Geographic Distribution -**

The Department of Redevelopment, in cooperation with the Terre Haute City Council, has established certain target areas (see Map) that contain a high concentration of low income families and individuals. It is these areas that the Redevelopment Department directs its grant resources. These boundaries are re-examined periodically and have a high concentration of minorities living in these areas. The City encourages the contractors who bid on projects to employ the area residents and the unemployed residents of the City. The areas with higher unemployment rates are mostly located within the City's current target areas.

Most of the minority population live scattered throughout the city. The minority population is now 12.24% of the population (including the federal penitentiary). The minority population of the City increased 2.2% (1,191

people) over the past decade according to the census. This percentage increase does not accurately represent the change in minority population of Terre Haute citizens due to annexation of the U.S. Federal Penitentiary into the City of Terre Haute. There are currently 851 individuals of minority race residing at the penitentiary and they have no input on housing demand. The minority population growth of the City over the past decade, excluding those residing in the penitentiary, is 1% or 340 people. This group comprises a component of the Terre Haute housing market. The City encourages the participation of minorities in its housing programs and promotes equal housing opportunity. The term "area of racial/ethnic minority concentration" is defined as an area having 35% or more Black, Hispanic, and/or Asian families and individuals that live in an area. The City has only two census tracts meeting this criteria, and one is located within the Central Eastside target area of the City (See map).

The term "area of low-income concentration" is defined by families or individuals incomes that do not exceed 80% of the area median income, as determined by HUD (See map), and includes both of the City's current target areas.

#### **Homeless and Other Special Needs Activities -**

Programs, which were designed to address these problems at the national level are being hindered by the funding cuts for state service providers. This segment of the population must have supportive services in order to have a chance to participate positively in the community. Federal and State government action to remove people from institutional living has caused some people to become homeless. Unfortunately, the burden of maintenance of that population has been transferred from the federal and state level to the local level. It is unknown how many of these persons are living without supportive services in privately owned rooming houses.

The Terre Haute Police Chief stated that the patrolmen have not seen any homeless individuals or families on the street during the past year. He said only families or individuals

that the City Police had directed to shelters were travelers passing through Terre Haute that had mechanical problems with their vehicles. With this additional data we perceive that the existing homeless shelters are doing a good job of serving the population of the City likely to be homeless. The City has not been able to obtain any information on rural homelessness.

The homeless families with children are generally counted only as individuals in the emergency shelters, as noted in Table 1. Most of these shelters will provide meals to the homeless or to very low income families or individuals without requiring the people to spend the night in their facilities.

The City of Terre Haute along with housing financial institutions and service providers communicate with each other throughout the year concerning the needs of social service programs, such as the Terre Haute Housing Authority's Family Self-Sufficiency Program to prevent low-income individuals and families with children from being homeless.

The Department of Redevelopment helped to establish a coalition of service providers for the homeless. This group meets regularly to address needs and coordinate strategies.

The U.S. Bureau of the Census, (1990) indicates that Terre Haute has approximately 2,201 families with less than 50% of the median family income and spending more than 50% of their income on housing expenses and are at risk of being homeless.

Characteristics of persons in this category include those who are one paycheck away from being homeless, victims of domestic violence, tenants overburdened with expenses, those being evicted from permanent housing, those being released from mental hospitals, prisons, and substance abuse facilities. Needs of this population are for safe, decent, and sanitary housing and varies according to the family size, supervision requirements, and medical assistance requirements.

The Terre Haute area seems to provide for emergency shelter much better than transitional and permanent housing opportunities. Resources for transitional and permanent housing are kept scarce by federal and state agencies and competition for obtaining the available funds is strong as evidenced by the fact that in 2001 HUD funded less than 10% of applications for transitional housing for homeless through the McKinney Act. The needs of many of this population extend well beyond the simple provision of a dwelling unit. Funds available for supportive services are an ongoing need, which receives a small amount of funds in relationship to the vast problem, which exists.

#### Populations with Special Needs

The elderly category represents the majority of the population total with special needs for the City of Terre Haute. The Housing Authority owns most of the housing dedicated to the elderly although several section 202 projects are located here. The most recent addition is a 52 unit project sponsored by Volunteers of America, which was completed in 1996. The Housing Authority has a waiting list of over 400 elderly for the public elderly housing units.

The frail elderly have been taken care of through the Medicare-Medicaid system and represents the category which is best served although the levels of support are the subject of proposed budget cuts at the state and federal levels.

Physically disabled persons are served by 20 units owned by United Cerebral Palsy, a portion of the public housing stock and many private homes. Most private home facilities are used only for the benefit of the current owner and will likely be returned to a non-handicapped unit when ownership changes. Additional units will be provided if projects are funded by HUD.

Developmentally disabled, persons with substance addiction, and persons with AIDS are most affected by development funded by HUD for transitional and permanent housing programs under the McKinney Act. The City has assisted in the submission of two excellent applications for

transitional housing, which were not selected due to very low levels of funding. While AIDS victims individually do not represent long-term problems, the increasing number does represent a need for long-term transitional housing. The local Health Department has indicated there is not currently a need for AIDS victims housing, as the majority are taken care of by family members.

Developmentally disabled and persons with substance addiction represent needs for transitional and permanent housing as one means necessary to break the present circle of non-cure.

The Housing Authority Development Corporation, the Department of Redevelopment, local banks, the Federal Home Loan Bank, and the HOME program are providing funds to assist 100 families under the self-sufficiency program. Sixteen single family housing units were substantially rehabilitated and 65 new single-family housing units were constructed. The persons will be assisted with Section 8 funding for renting the houses for a period of up to fifteen years. After a period of five years, the tenants will be able to purchase these units if they qualify. We do not know of any other program in this region of the country that is similar to this one. It is felt that this represents a small number of those who could benefit from homeownership.

#### **Other Actions -**

Lead-based paint poisoning is an environmental concern that the City of Terre Haute considers an important issue when considering affordable housing. It is the number one environmental health hazard facing American children today.

Most of the low and very low-income households live in older houses in the City. Terre Haute has one of the State's highest percentages of older housing stock. 53% of housing units are 40 years or older, according to the 1990 census. We estimate that at least 80% of low and very low-income households live in these units.

The Terre Haute Housing Authority has and will continue to inspect and abate lead based paint in all of its residential units and common areas of access to their clients.

The Department of Redevelopment in the past has abated lead based paint in accordance with HUD guidelines and will continue to do so in the future. All of the owners of housing rehabilitation projects receive lead based paint notices containing information on sources and hazards of lead based paint. They also are informed of symptoms of lead based paint poisoning, advisability and availability of blood lead level screening, and homeowner maintenance and treatment of lead based paint hazards.

Although we have a high concentration of older housing stock, of which most if not all, of the houses have hazardous concentrations of lead based paint, the local health and child welfare agencies had few reports of lead poisonings during recent years. The Vigo County Health Department and the local State office of Children's Special Health Care Services reported nine cases of lead or lead based paint hazards or poisoning to children or individuals. The City of Terre Haute will comply with existing laws (federal, state or local concerning lead-based paint hazards, that are now in effect or enacted in the future.

Terre Haute has few public policies, regulations, or rules that would negatively affect the affordability of housing. Terre Haute has been among the most affordable cities in the state and country in which to live and purchase a home. The city will continue to direct CDBG resources and other housing programs to help pay for buildings to be brought up to code and make decent, safe and sanitary housing affordable. In the past the city has not identified a problem with overcrowding, or losing any assisted housing inventory as a result of public housing demolition or conversion to homeownership, prepayment, or voluntary termination of a federally assisted mortgage or any other actions. The city will not contribute to the concentration of racial or ethnic minorities through it's

housing programs. The city has not identified any negative policies or barriers towards affordable housing.

To eliminate gaps in the housing delivery system, the Department of Redevelopment will continue to analyze the existing institutional structure to develop solutions for a more effective service delivery. The Department of Redevelopment will continue to work with Old National Bank, Terre Haute First National Bank, Terre Haute Savings Bank, Planters Union Bank and Fifth Third Bank in the coming years to provide matching and/or supportive funds for the HOME and CDBG programs. The Department of Redevelopment is working to assist local banks in meeting their Community Reinvestment Act.

The Terre Haute Housing Authority and Department of Redevelopment will continue to work with other community organizations and government entities to participate in and/or assess the existing programs for affordable housing and services, and assess the need for new programs to be developed to meet any housing deficiencies. Mental health agencies, area aging agencies, physical abuse agencies, charities, and nonprofit organizations are a few of the community organizations that would be involved with the assessment process. Some of the government entities that would participate with the housing programs and/or assessment are the Indiana Housing Finance Authority, State Historic Preservation Office, Vigo County Public Welfare Office, and the Federal Home Loan Bank.

The City of Terre Haute along with housing financial institutions and service providers communicate with each other throughout the year concerning the needs of social service programs, such as the Terre Haute Housing Authority's Family Self-Sufficiency Program to prevent low-income individuals and families with children from being homeless.

The City of Terre Haute, through its Common Council and Mayor, reestablished its Human Rights Commission to provide a forum for the citizens of the community. A Director was hired in 2001 to help market the Commission and the services provided by the Director. The City will assist

the Director with marketing efforts, through workshops and printed materials, in order to enable the public to become more aware of fair housing and human rights policies. The City is currently working with the Director and other individuals to conduct a Fair Housing Seminar for financial institutions, real estate companies, insurance agencies and other parties connected with housing in our community. A brochure was developed and underwritten by the City, that explains Fair Housing Rights as well as the function and purpose of the Director and Commission, in order to better market their services to the citizens of Terre Haute. The City completed an Analysis of the Impediments to Fair Housing in January 1996 and updates this document annually.

Citizen Participation - The City conducted a series of meetings with local housing and service providers, non-profit organizations, financial institutions and residents. Some of the organizations involved were Habitat for Humanity (CHDO), Jonah, Inc.(CHDO), United Cerebral Palsy of the Wabash Valley, Light House Mission, Hamilton Center, Catholic Charities, and the Council on Domestic Abuse.

Public Comment - The comments received from the public during the comment period and at the public hearings were very positive and expressed support for the housing and infrastructure programs the City is currently undertaking. Those agencies that are assisted indicated they would not be able to carry out the same level of services without the City's support. Improvements to the local parks was expressed at the meetings, along with historic preservation, and stronger code enforcement of existing City building and property maintenance codes. There was also an interest shown at the public hearings by non-profit organizations for the City to further study the development of efficiency and one bedroom transitional housing. Public meetings and hearings were conducted on November 20, 2002, December 17, 2002, December 18, 2002, January 2, 2003, January 9, 2003, and January 15, 2003. The public comment period was December 14, 2002 to January 13, 2003. No written comments were received from the Public.

(W/revisions 1/14/03)